

SENATE, No. 1065

STATE OF NEW JERSEY

212th LEGISLATURE

INTRODUCED JANUARY 26, 2006

Sponsored by:

Senator THOMAS H. KEAN, JR.

District 21 (Essex, Morris, Somerset and Union)

Senator STEPHEN M. SWEENEY

District 3 (Salem, Cumberland and Gloucester)

SYNOPSIS

Creates housing purchase matching grant program for reserve component of the U. S. Armed Forces and the New Jersey National Guard who have served in certain military operations.

CURRENT VERSION OF TEXT

As introduced.



1 **AN ACT** establishing a housing purchase matching grant program
2 for certain members of the reserve component of the U. S.
3 Armed Forces and the New Jersey National Guard,
4 supplementing and amending P.L.1983, c.583, and making an
5 appropriation.

6
7 **BE IT ENACTED** *by the Senate and General Assembly of the State*
8 *of New Jersey:*

9
10 1. (New section) a. The New Jersey Housing and Mortgage
11 Finance Agency shall establish a matching grant program for the
12 purposes of assisting certain members of the reserve component of
13 the U. S. Armed Forces and the New Jersey National Guard in the
14 purchase of a home. The program shall be coordinated with the
15 Department of Military and Veterans Affairs. The program may be
16 interfaced with any program currently administered by the agency
17 for first time homebuyers, but a recipient shall not be required to
18 meet the other eligibility criteria of any other homebuyer program
19 in order to be eligible to participate in the matching grant program.

20 b. Matching grants shall be made on the basis of available funds
21 to eligible military personnel on a dollar for dollar matching fund
22 basis, up to a maximum of \$10,000. The funds may be applied to
23 closing costs, equity payments, or for any other purpose which
24 assists the recipient in purchasing a home.

25 c. In order to be eligible for a matching grant, a member of the
26 reserve component of the U. S. Armed Forces or the New Jersey
27 National Guard, at the time of application, shall provide proof of at
28 least 90 days of service on active duty in:

29 Operation Noble Eagle;
30 Operation Enduring Freedom; or
31 Operation Iraqi Freedom.

32 There shall be no income eligibility for the program, however,
33 the agency may give priority to those applicants who are also
34 eligible for assistance under other programs administered by the
35 agency, such as the first time home-buyer program. Applicants shall
36 not be eligible for more than one matching grant under the program.

37
38 2. (New section) The agency, in consultation with the
39 Department of Military and Veterans Affairs, shall promulgate such
40 regulations as necessary to effectuate this act in accordance with the
41 “Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et
42 seq.).

43
44 3. Section 5 of P.L. 1983, c.583 (C.55:14K-5) is amended to
45 read as follows:

EXPLANATION – Matter enclosed in bold-faced brackets [thus] in the above bill is
not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

- 1 5. In order to carry out the purposes and provisions of this act,
2 the agency, in addition to any powers granted to it elsewhere in this
3 act, shall have the following powers:
- 4 a. To adopt bylaws for the regulation of its affairs and the
5 conduct of its business; to adopt an official seal and alter the same
6 at pleasure; to maintain an office at such place or places within the
7 State as it may designate; to sue and be sued in its own name;
- 8 b. To conduct examinations and hearings and to hear testimony
9 and take proof, under oath or affirmation, at public or private
10 hearings, on any matter material for its information and necessary
11 to carry out the provisions of this act;
- 12 c. To issue subpoenas requiring the attendance of witnesses and
13 the production of books and papers pertinent to any hearing before
14 the agency, or before one or more of the members of the agency
15 appointed by it to conduct a hearing;
- 16 d. To apply to any court, having territorial jurisdiction of the
17 offense, to have punished for contempt any witness who refuses to
18 obey a subpoena, or who refuses to be sworn or affirmed to testify,
19 or who is guilty of any contempt after summons to appear;
- 20 e. To acquire by purchase, gift, foreclosure or condemnation any
21 real or personal property, or any interest therein, to enter into any
22 lease of property and to hold, sell, assign, lease, encumber,
23 mortgage or otherwise dispose of any real or personal property, or
24 any interest therein, or mortgage lien interest owned by it or under
25 its control, custody or in its possession and release or relinquish
26 any right, title, claim, lien, interest, easement or demand however
27 acquired, including any equity or right of redemption, in property
28 foreclosed by it and to do any of the foregoing by public or private
29 sale, with or without public bidding, notwithstanding the provisions
30 of any other law;
- 31 f. To acquire, hold, use and dispose of its income revenues,
32 funds and moneys;
- 33 g. To adopt rules and regulations expressly authorized by this
34 act and such additional rules and regulations as shall be necessary
35 or desirable to carry out the purposes of this act. The agency shall
36 adopt regulations which provide for consultation with housing
37 sponsors regarding the formulation of agency rules and regulations
38 governing the operation of housing projects and which require the
39 agency to consult with the affected housing sponsor prior to taking
40 any and all specific proposed agency actions relating to the
41 sponsor's housing project. The agency shall publish all rules and
42 regulations and file them with the Secretary of State;
- 43 h. To borrow money or secure credit on a temporary, short-term,
44 interim or long-term basis, and to issue negotiable bonds and to
45 secure the payment thereof and to provide for the rights of the
46 holders thereof;
- 47 i. To make and enter into and enforce all contracts and
48 agreements necessary, convenient or desirable to the performance

1 of its duties and the execution of its powers under this act, including
2 contracts or agreements with qualified financial institutions for the
3 servicing and processing of eligible loans owned by the agency;

4 j. To appoint and employ an executive director, who shall be the
5 chief executive officer of the agency, and additional officers, who
6 need not be members of the agency as the agency deems advisable,
7 and to employ architects, engineers, attorneys, accountants,
8 construction and financial experts and other employees and agents
9 as may be necessary in its judgment and to determine their
10 qualifications, terms of office, duties and compensation; and to
11 promote and discharge such officers, employees and agents, all
12 without regard to the provisions of Title 11 of the Revised Statutes,
13 Civil Service;

14 k. To contract for and to receive and accept any gifts, grants,
15 loans or contributions from any source, of money, property, labor or
16 other things of value, to be held, used and applied to carry out the
17 purposes of this act subject to the conditions upon which the grants
18 and contributions may be made, including, but not limited to, gifts
19 or grants from any department or agency of the United States or the
20 State for payment of rent supplements to eligible families or for the
21 payment in whole or in part of the interest expense for a housing
22 project or for any other purpose consistent with this act;

23 l. To enter into agreements to pay annual sums in lieu of taxes to
24 any political subdivision of the State with respect to any real
25 property owned or operated directly by the agency;

26 m. To procure insurance against any loss in connection with its
27 operations, property and other assets (including eligible loans) in
28 the amounts and from the insurers it deems desirable;

29 n. To the extent permitted under its contract with the holders of
30 bonds of the agency, to consent to any modification with respect to
31 rate of interest, time and payment of any installment of principal or
32 interest, security or any other terms of any loan to an institutional
33 lender, eligible loan, loan commitment, contract or agreement of
34 any kind to which the agency is a party;

35 o. To the extent permitted under its contract with the holders of
36 bonds of the agency, to enter into contracts with any housing
37 sponsor containing provisions enabling the housing sponsor to
38 reduce the rental or carrying charges to persons unable to pay the
39 regular schedule of charges where, by reason of other income or
40 payment from the agency, any department or agency of the United
41 States or the State, these reductions can be made without
42 jeopardizing the economic stability of the housing project;

43 p. To make and collect the fees and charges it determines are
44 reasonable;

45 q. To the extent permitted under its contract with the holders of
46 bonds of the agency, to invest and reinvest any moneys of the
47 agency not required for immediate use, including proceeds from
48 the sale of any obligations of the agency, in obligations, securities

1 or other investments as the agency deems prudent. All functions,
2 powers and duties relating to the investment or reinvestment of
3 these funds, including the purchase, sale or exchange of any
4 investments or securities may, upon the request of the agency, be
5 exercised and performed by the Director of the Division of
6 Investment in the Department of the Treasury, in accordance with
7 written directions of the agency signed by an authorized officer,
8 without regard to any other law relating to investments by the
9 Director of the Division of Investment;

10 r. To provide, contract or arrange for, where, by reason of the
11 financing arrangement, review of the application and proposed
12 construction of a project is required by or in behalf of any
13 department or agency of the United States, consolidated processing
14 of the application or supervision or, in the alternative, to delegate
15 the processing in whole or in part to any such department or
16 agency;

17 s. To make eligible loans, and to participate with any
18 department, agency or authority of the United States or of any state
19 thereof, this State, a municipality, or any banking institution,
20 foundation, labor union, insurance company, trustee or fiduciary in
21 an eligible loan, secured by a single participating mortgage, by
22 separate mortgages or by other security agreements, the interest of
23 each having equal priority as to lien in proportion to the amount of
24 the loan so secured, but which need not be equal as to interest rate,
25 time or rate of amortization or otherwise, and to undertake
26 commitments to make such loans;

27 t. To assess from time to time the housing needs of any
28 municipality which is experiencing housing shortages as a result of
29 the authorization of casino gaming and to address those needs when
30 planning its programs;

31 u. To sell any eligible loan made by the agency or any loan to an
32 institutional lender owned by the agency, at public or private sale,
33 with or without bidding, either singly or in groups, or in shares of
34 loans or shares of groups of loans, issue securities, certificates or
35 other evidence of ownership secured by such loans or groups of
36 loans, sell the same to investors, arrange for the marketing of the
37 same; and to deposit and invest the funds derived from such sales in
38 any manner authorized by this act;

39 v. To make commitments to purchase, and to purchase, service
40 and sell, eligible loans, pools of loans or securities based on loans,
41 insured or issued by any department or agency of the United States,
42 and to make loans directly upon the security of any such loan, pools
43 of loans or securities;

44 w. To provide such advisory consultation, training and
45 educational services as will assist in the planning, construction,
46 rehabilitation and operation of housing including but not limited to
47 assistance in community development and organization, home
48 management and advisory services for residents and to encourage

- 1 community organizations and local governments to assist in
2 developing housing;
- 3 x. To encourage research in and demonstration projects to
4 develop new and better techniques and methods for increasing the
5 supply, types and financing of housing and housing projects in the
6 State and to engage in these research and demonstration projects
7 and to receive and accept contributions, grants or aid, from any
8 source, public or private, including but not limited to the United
9 States and the State, for carrying out this purpose;
- 10 y. To provide to housing sponsors, through eligible loans or
11 otherwise, financing, refinancing or financial assistance for fully
12 completed, as well as partially completed, projects which may or
13 may not be occupied, if the projects meet all the requirements of
14 this act, except that, prior to the making of the mortgage loans by
15 the agency, said projects need not have complied with sections
16 7a.(9) and 42 of this act;
- 17 z. To encourage and stimulate cooperatives and other forms of
18 housing with tenant participation;
- 19 aa. To promote innovative programs for home ownership,
20 including but not limited to lease-purchase programs, employer-
21 sponsored housing programs, [and] tenant cooperatives, and grant
22 programs for certain members of the reserve component of the U. S.
23 Armed Forces and the New Jersey National Guard established
24 pursuant to P.L. , c. (C.) (pending before the Legislature as
25 this bill);
- 26 bb. To set aside and designate, out of the funds that are or may
27 become available to it for the purpose of financing housing in this
28 State pursuant to the terms of this act, certain sums or proportions
29 thereof to be used for the financing of housing and home-ownership
30 opportunities, including specifically lease-purchase arrangements,
31 provided by employers to their employees through nonprofit or
32 limited-dividend corporations or associations created by employers
33 for that purpose; and to establish priority in funding, offer bonus
34 fund allocations, and institute other incentives to encourage such
35 employer-sponsored housing and home-ownership opportunities;
- 36 cc. Subject to any agreement with bondholders, to collect,
37 enforce the collection of, and foreclose on any property or collateral
38 securing its eligible loan or loans to institutional lenders and
39 acquire or take possession of such property or collateral and sell the
40 same at public or private sale, with or without bidding, and
41 otherwise deal with such collateral as may be necessary to protect
42 the interests of the agency therein;
- 43 dd. To administer and to enter into agreements to administer
44 programs of the federal government or any other entity which are in
45 furtherance of the purposes of this act;
- 46 ee. To do and perform any acts and things authorized by this act
47 under, through, or by means of its officers, agents or employees or
48 by contract with any person, firm or corporation; and

1 ff. To do any acts and things necessary or convenient to carry
2 out the powers expressly granted in this act.

3 (cf: P.L.1983, c.530, s.5)
4

5 4. There is appropriated \$2,000,000 from the General Fund to
6 the New Jersey Housing and Mortgage Finance Agency for the
7 purposes of this act.
8

9 5. This act shall take effect immediately.
10
11

12 STATEMENT
13

14 This bill establishes a matching grant program for certain
15 members of the reserve component of the U. S. Armed Forces and
16 the New Jersey National Guard, to assist them in purchasing a
17 home. The program is established in the New Jersey Housing and
18 Mortgage Finance Agency in coordination with the Department of
19 Military and Veterans Affairs. The program may be interfaced with
20 any program currently administered by the agency for first time
21 homebuyers, although a recipient need not meet the other eligibility
22 criteria of any other homebuyer program in order to be entitled to
23 participate in the matching grant program.

24 Matching grants shall be made on the basis of available funds to
25 eligible personnel on a dollar for dollar matching fund basis, up to a
26 maximum of \$10,000. The funds may be applied to closing costs,
27 equity payments, or for any other purpose which assists the
28 recipient in purchasing a home.

29 There shall be no income eligibility for the program; however,
30 the agency may give priority to those applicants who are also
31 eligible for assistance under other programs administered by the
32 agency, such as the first time home-buyer program. Applicants shall
33 not be eligible for more than one matching grant under the program.

34 In order to be eligible for a matching grant, a member of the
35 reserve component of the U. S. Armed Forces or the New Jersey
36 National Guard, at the time of application shall provide proof of at
37 least 90 days of service on active duty in:

38 Operation Noble Eagle;

39 Operation Enduring Freedom; or

40 Operation Iraqi Freedom.

41 The bill appropriates \$2 million from the General Fund to the
42 New Jersey Housing and Mortgage Finance Agency to fund the
43 grant program.